

*File*

# Goldray Mines Limited

## *Annual Report*



**For the Year Ended April 30, 1968**



# GOLDRAY MINES LIMITED

Suite 202 - 220 Bay Street  
TORONTO 1, ONTARIO

## *Directors' Report*

### TO THE SHAREHOLDERS:

Enclosed herewith you will find Notice of Annual Meeting which is to be held in the New Brunswick Room, Royal York Hotel, 100 Front Street West, Toronto, Ontario on Thursday, October 17th, 1968 at 10.00 a.m. The Financial Statements for the year ended April 30, 1968 are enclosed along with an Information Circular and a form of Instrument of Proxy.

### COLUMBIUM DEPOSIT — JAMES BAY LOWLANDS

Your Company owns a 71½% interest in a Columbian ore deposit on which drilling to date has indicated 61 million tons averaging 0.52%  $\text{Cb}_2\text{O}_3$ .

Current studies now in progress indicate that open pit mining of the deposit is practical and that there are approximately 23 million tons of reserves above a depth of 400' available for this mining method.

A test shaft was sunk to a depth of 125' and a crosscut was extended for approximately 90' from which a 250 ton bulk sample was removed. A large scale pilot plant test will be conducted from this sample which will provide criteria for a detailed feasibility study as well as a quantity of final concentrate which can be submitted to interested potential consumers for their own evaluation. Preliminary test work from diamond drill core indicates that a high quality concentrate can be recovered. Final production decisions will be made after the feasibility study is made available.

The Project participants which include Imperial Oil Enterprises Limited, Consolidated Morrison Explorations, Limited and Argor Explorations Limited also have obtained a new three-year exploratory license on an area where additional work appears warranted for base metal occurrences. A ground geophysical program is currently underway on a large portion of this area, and it is anticipated that exploratory drilling will be subsequently carried out.

### NORTHERN SASKATCHEWAN AND MANITOBA

The last interim report to shareholders indicated that Denison Mines Limited as to 50%, Roman Corporation and Goldray Mines Limited each as to 25%, and subject to a prospector interest, acquired 1,644,608 acres in Northern Saskatchewan and Manitoba on a new and unexplored aeromagnetic feature. Subsequently it was announced by Denison Mines that negotiations were being conducted with Atlantic Richfield of Denver, Colorado and International Mining of New York to participate in this venture.

An arrangement has been concluded with these Companies whereby they will jointly provide \$450,000.00 for the first year's exploration program. They will have the right to elect to participate in the second phase which will require a further \$450,000.00 and upon this expenditure will earn between them a 25% interest in the Project subject to a prospector interest. They will then have the right to elect to participate in the third phase which will require a further \$450,000.00 at which time the original participants also will be required to put up \$450,000.00 pro rata to their interests. Atlantic and International upon their commitment to the third phase will earn between them a 50% interest in the venture subject to the prospector interest. Any further funds required for the project will be put up by all the participants pro rata to their interests.



A systematic exploration program was commenced in May. An airborne electromagnetic and magnetometer survey along with a separate helicopter gamma-ray spectrometer survey have been completed. In addition, a reconnaissance geological survey to aid interpretation of the airborne geophysical data has been carried out. As a result, specific exploration targets are being established. Base metal mineralization has been encountered but since most of the geophysical anomalies are covered with overburden detailed ground investigation will be required to be followed by diamond drilling where warranted. A substantial number of these anomalies are considered as high priority targets.

#### NEW EXPLORATION VENTURE

Denison Mines Limited, Roman Corporation, Black Hawk Mining Limited and Goldray Mines Limited, each as to 25%, subject to a prospector interest, have formed a Consortium to acquire exploration rights in certain areas. The group is currently in the process of acquiring substantial ground considered favourable for prospecting and mineral exploration based on the results of a recent airborne geophysical survey.

Negotiations are under way with another major Company which may lead to a substantial financing program for the areas involved.

#### HEARST — RIDGE LAKE AREA — ONTARIO

A detailed airborne magnetometer survey has been completed over the 98 claims in which your Company holds a 25% interest along with Denison Mines Limited and Roman Corporation. Results of the survey have revealed an interesting anomaly on an indicated carbonatite structure and diamond drilling is currently being considered.

#### BLIND RIVER AREA — ONTARIO

Your Company together with Consolidated Morrison held jointly 124 claims in the Blind River Area. By mutual consent it was agreed that the Companies would revert to their initial holdings resulting in Goldray now owning their original 54 claims.

A detailed airborne electromagnetic and radiometric survey was carried out with inconclusive results. It is considered that these claims cover a basin where if it persists to basement could be potential ground for uranium mineralization. It is indicated, however, that the structure could be deep. Your Company is seeking an arrangement whereby this ground could be diamond drilled.

#### RED LAKE AREA — ONTARIO

A diamond drill hole was completed from the adjoining Cochenour-Willans property on the 2050' level for a distance of 821' but the favourable volcanic rocks were not encountered. It has been recommended that future exploration of this property should be considered if and when, the lower levels of the Cochenour-Annco properties are developed. Dip projections of the West Carbonate Structure on the Annco property should make the 2500 foot horizon the most favourable level.

#### OTHER AREAS

Two other airborne geophysical surveys were completed however results did not warrant ground acquisition at this time.

Your Company will continue its policy to examine and undertake exploration ventures of merit.

On behalf of the Board of Directors,

MURRAY AXMITH,  
President.

September 23, 1968.



# GOLDRAY M

(Incorporated Under the L

## Balance Sheet as

(With comparative fig

### ASSETS

CURRENT ASSETS	1968	1967
Cash .....	\$ 2,164.94	\$ 22,237.69
Deposit receipts and short-term notes .....	75,000.00	25,000.00
Sundry receivable .....	14,735.58	852.00
Bonds lodged with provinces (face value — 1968 — \$100,000.00; 1967 — \$25,000.00) .....	97,672.12	25,000.00
Due from brokers .....	—	498.00
	<u>\$ 189,572.64</u>	<u>\$ 73,587.69</u>
INVESTMENT IN OTHER COMPANIES		
Listed shares, at cost (market value — 1968 — \$93,265.00; 1967 — \$116,062.50) .....	\$ 95,703.11	\$ 107,896.11
Unlisted shares — nominal value .....	1.00	1.00
Investment in shares of Midray Minerals Limited — at cost (no quoted market value) .....	27,158.31	27,158.31
Investment in shares of other mining companies — at cost (no quoted market value) .....	4,995.00	4,995.00
	<u>\$ 127,857.42</u>	<u>\$ 140,050.42</u>
INTEREST IN PROSPECTING SYNDICATES .....	\$ 8,293.81	\$ 8,293.81
HEAD OFFICE FURNITURE AND FIXTURES .....	\$ 1,642.50	\$ 1,242.50
MINING PROPERTIES		
Acquired for \$13,776.00 cash (1967 — \$14,309.00 cash) and 626,623 shares of capital stock .....	\$ 472,299.80	\$ 472,832.80
EXPLORATION AND DEVELOPMENT, INCLUDING HEAD OFFICE AND ADMINISTRATIVE EXPENSES		
BALANCE — May 1 .....	\$ 639,660.17	\$ 629,620.51
ADD: Expenditures for year ended April 30 .....	86,719.97	10,039.66
BALANCE — April 30 .....	<u>\$ 726,380.14</u>	<u>\$ 639,660.17</u>
INCORPORATION AND ORGANIZATION .....	\$ 3,784.88	\$ 3,784.88
	<u>\$ 1,529,831.19</u>	<u>\$ 1,339,452.27</u>

To be read in conjunction with the Auditors' Report to the Shareholders attached hereto dated May 31, 1968.

### AUDITORS' REPORT

We have examined the balance sheet of Goldray Mines Limited as at April 30, 1968, and the head office and administrative expenses and source and application of funds for the year then ended, and such tests of accounting records and other supporting evidence as we considered necessary.

In our opinion, these financial statements present fairly the financial position of Goldray Mines Limited at April 30, 1968, and the application of its funds for the year then ended, in accordance with generally accepted accounting principles.

Toronto, Ontario,  
May 31, 1968.

# NES LIMITED

(Incorporated in the Province of Ontario)

April 30, 1968

(as at April 30, 1967)

## LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES	1968	1967
Accounts payable and accrued liabilities .....	\$ 17,052.03	\$ 16,369.82
Due to brokers .....	4,278.03	—
Due to shareholders re 1942 distribution on realization of capital assets .....	10,120.31	10,120.31
	<u>\$ 31,450.37</u>	<u>\$ 26,490.13</u>
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (Note)		
AUTHORIZED		
5,000,000 shares of \$1.00 par value each		
ISSUED AND FULLY PAID		
2,828,931 shares (2,528,931 in 1967) .....	\$ 2,828,931.00	\$ 2,528,931.00
Less: Discount .....	1,221,573.58	1,116,573.58
	<u>\$ 1,607,357.42</u>	<u>\$ 1,412,357.42</u>
DEFICIT ACCOUNT (as per attached statement) .....	108,976.60	99,395.28
	<u>\$ 1,498,380.82</u>	<u>\$ 1,312,962.14</u>

Approved on behalf of the Board of Directors:

M. AXMITH, Director.

K. B. ANDRAS, Director

\$ 1,529,831.19    \$ 1,339,452.27

NOTE: 300,000 shares of the company's capital stock were issued during the year for a cash consideration of \$195,000.00.

## THE SHAREHOLDERS

, 1968 and the statements of deficit account, exploration and development, including year then ended. Our examination included a general review of the accounting considered necessary in the circumstances.

the company as at April 30, 1968, the results of its operations and the source and accounting principles applied on a basis consistent with that of the preceding year.

respectfully submitted,

STARKMAN, KRAFT, ROTHMAN, BERGER & GRILL  
Chartered Accountants.



# GOLDRAY MINES LIMITED

## STATEMENT OF DEFICIT ACCOUNT FOR THE YEAR ENDED APRIL 30, 1968 (With comparative figures for the year ended April 30, 1967)

	1968	1967
BALANCE AT DEBIT — May 1 .....	\$ 99,395.28	\$ 99,420.28
ADD: Mining properties lapsed — written-off .....	1,890.00	—
Loss on sale of investments .....	7,691.32	—
	<u>\$108,976.60</u>	<u>\$ 99,420.28</u>
LESS: Profit on sale of investments .....	—	25.00
BALANCE AT DEBIT — April 30 .....	<u>\$108,976.60</u>	<u>\$ 99,395.28</u>

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED APRIL 30, 1968 (With comparative figures for the year ended April 30, 1967)

	1968	1967
SOURCE OF FUNDS:		
Sale of listed shares .....	\$ 14,343.68	\$ 4,865.00
Sale of capital stock .....	195,000.00	—
	<u>\$209,343.68</u>	<u>\$ 4,865.00</u>
APPLICATION OF FUNDS:		
Acquisition of mining properties .....	\$ 1,357.00	\$ 2,519.00
Purchase of listed shares .....	9,842.00	4,735.00
Purchase of fixed assets .....	400.00	—
Exploration and development, including head office and administrative expenses .....	86,719.97	10,039.66
	<u>\$ 98,318.97</u>	<u>\$ 17,293.66</u>
Increase (Decrease) in Working Capital .....	\$111,024.71	\$ (12,428.66)
Working Capital, beginning of year .....	47,097.56	59,526.22
WORKING CAPITAL, END OF YEAR .....	<u>\$158,122.27</u>	<u>\$ 47,097.56</u>

# GOLDRAY MINES LIMITED

## STATEMENT OF EXPLORATION AND DEVELOPMENT INCLUDING HEAD OFFICE AND ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED APRIL 30, 1968 (With comparative figures for the year ended April 30, 1967)

	1968	1967
EXPLORATION AND DEVELOPMENT		
PROVINCE OF ONTARIO		
James Bay Lowlands Project expenditures .....	\$64,671.61	\$ 4,099.89
Blind River Area electromagnetic survey .....	2,794.00	—
Taxes and licenses .....	896.68	1,010.10
Wages .....	300.00	300.00
Engineering and consulting fees .....	1,875.00	—
Insurance .....	200.00	200.00
PROJECT SASKATCHEWAN — MANITOBA .....	4,726.70	—
YUKON PROPERTY OPTION		
Electromagnetic survey, bulldozing, shipping and field supplies .....	4,939.63	—
QUEBEC AREA		
Air survey .....	598.24	—
	<u>\$81,001.86</u>	<u>\$ 5,609.99</u>
LESS: Rentals received .....	460.75	547.40
	<u>\$80,541.11</u>	<u>\$ 5,062.59</u>
HEAD OFFICE ADMINISTRATION		
Legal and audit .....	\$ 4,181.60	\$ 1,030.00
Office salaries .....	2,720.01	2,426.68
Office rent .....	2,100.00	2,100.00
Administrative salary .....	2,000.00	1,200.00
Office supplies and expenses .....	1,763.15	781.58
Directors' fees .....	1,450.00	1,400.00
Transfer agents' fees and expenses .....	1,384.11	999.13
Printing and shareholders' information .....	1,314.05	661.03
Telephone .....	985.85	910.24
Travelling expense .....	775.00	705.00
Taxes and filing fees .....	531.15	532.66
Interest and bank charges .....	253.37	—
Canada pension plan expense .....	72.00	—
	<u>\$19,530.29</u>	<u>\$12,746.32</u>
LESS: Interest income .....	\$ 9,140.43	\$ 3,473.25
Dividend income .....	4,211.00	4,296.00
	<u>\$13,351.43</u>	<u>\$ 7,769.25</u>
	<u>\$ 6,178.86</u>	<u>\$ 4,977.07</u>
TOTAL EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENSES .....	<u>\$86,719.97</u>	<u>\$10,039.66</u>



# GOLDRAY MINES LIMITED

## CAPITALIZATION

	Authorized	Issued
Common Shares .....	5,000,000	2,828,931

---

## OFFICERS AND DIRECTORS

### DIRECTORS

K. B. ANDRAS .....	Toronto, Ontario
MURRAY AXMITH .....	Toronto, Ontario
W. NOEL O'BRIEN .....	Toronto, Ontario
WALTER R. PACKMAN .....	Port Credit, Ontario
B. E. WILLOUGHBY .....	Toronto, Ontario

### OFFICERS

MURRAY AXMITH .....	President
K. B. ANDRAS .....	Vice-President
WALTER R. PACKMAN .....	Secretary-Treasurer

### TRANSFER AGENTS

Guaranty Trust Company of Canada

### EXECUTIVE OFFICES

Suite 202, 220 Bay St., Toronto





**INTERIM STATEMENT OF EXPLORATION  
AND DEVELOPMENT INCLUDING HEAD  
OFFICE AND ADMINISTRATIVE EXPENSES**

**For the Six Month Period Ended October 31, 1968**  
(With comparative figures for the six month period  
ended October 31, 1967)

	<u>1968</u>	<u>1967</u>
<b>Exploration and Development</b>		
Taxes and licenses . . .	\$ 372.42	\$ 365.98
Insurance . . . . .	160.00	160.00
Engineering and consulting fees . . . . .	—	1,125.00
James Bay Lowlands Project expenditures . . . . .	15,408.53	30,656.83
Blind River area electromagnetic survey . . . . .	—	2,794.00
Red Lake area diamond drilling . . . . .	2,276.48	—
Hearst area — air survey . . . . .	2,625.10	—
<b>Yukon Property Option</b>		
Electromagnetic survey, bulldozing, stripping and field supplies . . . . .	—	4,939.63
<b>General Exploration</b> . . . . .	<u>3,531.78</u>	<u>—</u>
	\$24,374.31	\$40,041.44
<b>Less: Rentals received</b> . . . . .	43.00	72.00
	<u>\$24,331.31</u>	<u>\$39,969.44</u>
<b>Head Office and Administrative</b>		
Office salaries . . . . .	\$ 1,547.62	\$ 1,253.34
Office rent . . . . .	1,050.00	1,050.00
Legal and audit . . . . .	923.99	2,575.01
Directors' fees . . . . .	650.00	900.00
Telephone . . . . .	373.61	361.25
Office supplies and expenses . . . . .	474.19	921.05
Transfer agents' fees and expenses . . . . .	631.42	613.69
Printing and shareholders' information . . . . .	1,232.46	796.61
Taxes and filing fees . . . . .	475.70	338.69
	<u>\$ 7,358.99</u>	<u>\$ 8,809.64</u>
<b>Less: Interest income</b> . . . . .	\$ 4,400.63	\$ 3,309.79
<b>Dividend income</b> . . . . .	2,378.00	1,853.00
	<u>\$ 6,778.63</u>	<u>\$ 5,162.79</u>
<b>Total Head Office and Administrative</b> . . . . .	<u>\$ 580.36</u>	<u>\$ 3,646.85</u>
<b>Total Exploration, Development and Administrative Expenses</b> . . . . .	<u>\$24,911.67</u>	<u>\$43,616.29</u>

**INTERIM STATEMENT OF SOURCE AND  
APPLICATION OF FUNDS**

**For the Six Month Period Ended October 31, 1968**  
(With comparative figures for the six month period  
ended October 31, 1967)

	<u>1968</u>	<u>1967</u>
<b>Source of Funds</b>		
Proceeds from sale of capital stock . . . . .	—	\$195,000.00
Sale of listed shares . . . . .	\$ 2,655.25	—
	<u>\$ 2,655.25</u>	<u>\$195,000.00</u>
<b>Application of Funds</b>		
Purchase of listed shares . . . . .	—	\$ 9,842.00
Purchase of office furniture and fixtures . . . . .	—	400.00
Investment in shares of another limited company . . . . .	\$ 20,000.00	—
Exploration and development, including head office and administrative expenses . . . . .	<u>24,911.67</u>	<u>43,616.29</u>
	\$ 44,911.67	\$ 53,858.29
Increase (decrease) in working capital . . . . .	\$(42,256.42)	\$141,141.71
Working capital — beginning of period . . . . .	158,122.27	47,097.56
<b>Working Capital — end of period</b> . . . . .	<u>\$115,865.85</u>	<u>\$188,239.27</u>

**GOLD DRAY MINES  
LIMITED**

Suite 202 - 220 Bay Street  
Toronto, Ontario

*Six Month Report*

**FOR THE SIX MONTH PERIOD ENDED  
OCTOBER 31, 1968**



# GOLDRAY MINES LIMITED

## REPORT TO THE SHAREHOLDERS

For the Six Month Period Ended  
October 31, 1968

### TO THE SHAREHOLDER:

We present herewith the unaudited Statement of Exploration and Development including Head Office Expenses and the Source and Application of Funds for the six month period ended October 31, 1968 with comparative figures for the same period of 1967.

#### Columbium Deposit — James Bay Lowlands

The 250 ton bulk sample from this orebody has been shipped, and a large scale pilot plant test of the material is scheduled to commence early in January. The results of this test will provide information for the detailed feasibility study and the representative concentrate obtained will be made available for evaluation by interested potential consumers.

A diamond drill program has been scheduled to commence in early January to explore several geophysical targets indicated by this season's field work. The other participants in this project include Imperial Oil Enterprises Limited, Consolidated Morrison Limited and Argor Explorations Limited.

#### Saskatchewan and Manitoba

Your Company is participating in three separate exploration ventures which cover over 3 million acres.

The venture with Denison Mines Limited, Roman Corporation Limited, Atlantic Richfield, International Mining and your Company which began early in 1968 is proceeding with the second phase. Ground geophysics is currently in progress and a diamond drill program is being arranged to commence early in the New Year to explore favourable targets as they become established.

A project involving Denison Mines Limited, Roman Corporation Limited, Blackhawk Mining Limited and Goldray Mines Limited was commenced this past summer. The area is located at the southern extension of the structure which is currently being explored by the Denison, Atlantic group indicated in the above paragraph. An airborne geophysical survey was completed and a substantial number of anomalies were staked as a result. Subsequently five permits were applied for over this ground and when issued the total will involve approximately 900,000 acres. A detailed exploration program is being planned for the very near future. Negotiations are nearing completion with a major Company which will involve substantial financing for this venture.

Goldray along with Roman Corporation Limited, Vespar Mines Limited and Canadian Nisto Mines Limited very recently applied for three permits embracing approximately 600,000 acres in Saskatchewan in an area considered favourable for base metal as well as uranium

deposits. Acquisition of this ground was based on recognition of a major geological structure similar to the main Wollaston trend. Upon the issuance of the permits an exploration and financing program will be formulated.

#### Hearst — Ridge Lake Area — Ontario

Bids have been requested for the exploratory drilling of the property which is held by Denison Mines Limited, Roman Corporation and Goldray. It is expected that work will commence early in the New Year.

#### Blind River Area — Ontario

Negotiations are currently under way with another Company for a deep drill test on the Company's 54 claims. Should an agreement be concluded it is expected that drilling will begin by March 1, 1969.

#### Other Ventures

Goldray is participating in an airborne geophysical survey and is acquiring ground in another area considered favourable for base metal deposits.

On behalf of the Board of Directors.

M. AXMITH,  
President.

Toronto, Ontario.  
December 23, 1968.